

**PROMISSORY NOTE AND LOAN AGREEMENT
ADJUSTABLE RATE (ARM)
(6 Mos./1 Yr./3 Yr./5 Yr./Treasury Index)**

DOCKET FILE COPY ORIGINAL

June 4, 1993

(Date)

Windsor, California

(City, State)

1. PROMISE TO PAY.

For value received, the undersigned, (hereinafter called "Borrower", whether one or more) as principals, jointly and severally, promise to pay to the order of Pacific Coast Farm Credit Services, ACA

(hereinafter called "Lender"), a corporation organized and existing under the laws of the United States of America, at its principal office at Windsor, California or at such other place as may be designated in writing by Lender, the principal sum of

Five Hundred Forty-Six Thousand One Hundred and no/100 dollars (\$ 546,100.00) together with interest as specified in Section 3 below of this Promissory Note and Loan Agreement (hereinafter "Note").

2. PAYMENT.

On August 1, 1993, and every month thereafter, Borrower shall pay installments of principal and interest of Four Thousand Two Hundred Seventy-Six and 63/100 Dollars (\$4,276.63) each until July 1, 2013 (Maturity Date), at which time Borrower shall pay the unpaid principal balance and all accrued interest in full.

The amount of the installments shall be increased or decreased in such a manner as to reflect any increase or decrease in the interest rate described in section 3 below.

3. INTEREST

- a. **Initial Rate.** Interest will be charged on that part of the outstanding principal which has not been paid and shall be calculated on the basis of a 360-day year and a 30 day month. Interest will be charged beginning on the date Lender disburses principal and continue until the full amount of principal has been paid. Commencing on the date Lender disburses the loan proceeds, interest will be at an annual rate of 7.13 % ("Initial Interest Rate"). The interest that Borrower will pay will change in accordance with Paragraph (b) through (e) below until the loan is paid. Interest charged hereunder, including any acceleration interest rate described in Section 5 below, shall not be limited by the laws of any state relating to a legal rate or other rate of interest, but shall be governed solely by applicable federal laws.
- b. **Change Dates.** Interest rate changes may occur on the first day of the month beginning on July 1, 1994, and on that day of the month every twelve months thereafter. Each date on which the rate of interest may change will be called a "Change Date".
- c. **Index.** Beginning with the first Change Date, the interest rate will be based on an index. The "Index" is the most recent weekly average yield of U.S. Treasury Securities on a () 6 month U.S. Treasury Bill; or (X) 1 year Treasury Security adjusted to constant maturity as made available by the Federal Reserve Board. The yield on the U.S. Treasury Bill will be the bond equivalent yield based upon the average discount made available by the Federal Reserve Board. The most recent index figure available as of the date 45 days before each change date and then rounded to the nearest one hundredth (.01) percentage point is called the "Current Index". In the event the Federal Reserve Board does not report the above-described index, Lender may calculate the Index based on yields (calculated from "bid" prices) reported in any widely distributed financial publication, or at its option may choose a new index which is based upon comparable information.
- d. **Calculation of Changes.** Before each Change Date, the new interest rate will be calculated by adding 3.58 % to the Current Index. This sum will be the new interest rate until the next Change Date. The amount of the new installment shall be increased or decreased in such a manner as to reflect the increase or decrease in such interest rate.
- e. **Limits on Rate Changes.** Notwithstanding paragraph (c) above, the interest rate on any single Change Date shall not be increased or decreased by more than 2.0 %. In addition, the interest rate will not increase or decrease more than 5.0 % above or below the Initial Interest Rate except that any acceleration rate as described in Section 5 below or any late charge for overdue payments which may be additional percentage points higher than such maximum interest rate.

4. INTEREST AND LATE CHARGES FOR OVERDUE PAYMENTS.

- (X) Any installment of principal or interest not received by Lender by the end of the fifteenth (15) calendar day after the date it is due shall bear interest from such due date until such amount is fully paid at the adjustable interest rate in effect at that time plus 4.00 % per annum. As the interest rate for the Note is increased or decreased, the late charge rate shall be likewise adjusted. The undersigned shall also be obligated to pay a late charge of \$25.00 for each installment of principal and/or interest not received by Lender by the end of the fifteenth (15th) calendar day after the date it is due.
- () If any installment of principal or interest is not received by Lender by the end of the fifteenth (15th) calendar day after the date it is due, Borrower shall pay a late charge to Lender of five percent (5%) of the overdue payment of principal and interest. Said charge will be paid only once on each late payment.

Federal Communications Commission

Docket No. 93-42 Exhibit No. Willson H

Presented by Wray Fitch 4 pgs

Disposition { Identified 11-15-93
Received 11-15-93
Rejected _____

Reporter A. W. [unclear]

Date 11-15-93

5. **DEFAULT.** Borrower is in default of this Note under the following circumstances: (1) Borrower fails to pay principal or interest as set forth in this Note; (2) Borrower materially breaches any term, condition or representation in any document in connection with this loan or in connection with any other loan of this Lender, or any other lender; (3) If any of Borrower's representations to this, or any other lender in connection with any loan prove to be materially false or misleading; (4) Lender determines that Borrower is unable to repay the sums owed Lender under this Note as agreed or Lender in good faith otherwise deems itself insecure; (5) If, in Lender's reasonable determination, Borrower has experienced a material adverse change in financial condition; (6) Borrower's death, dissolution, termination of existence, insolvency, business failure, petition for or appointment of a receiver, assignment for the benefit of creditors by, or commencement of any proceeding under any bankruptcy or insolvency law by or against Borrower, or any guarantor, endorser, or surety for Borrower.

Remedies. On default and acceleration, Lender may exercise all legal rights and remedies including, but not limited to, rights and remedies stated in mortgages, deeds of trust, and security agreements. Exercise of any right or remedy shall not exclude exercise of any other right or remedy. The mortgage, deed of trust or security agreement provides that advances made by Lender shall become a part of the principal evidenced by this Note, and also states additional conditions under which the entire Note may be accelerated and become immediately due and payable and will be subject to interest and default interest.

Default Interest and Acceleration. On Borrower's default, and at Lender's option, all unpaid principal, including amounts advanced for taxes, insurance, etc., late payment fees, interest and default interest, shall become immediately due and payable without notice or demand by Lender. Interest on said accelerated amount shall be 4.00 % per annum above the interest rate in effect at the time as stated in Section 3(a)-(e) above.

Waiver. Any delay or omission by Lender in exercising a right or remedy shall not waive that right or remedy or any other right or remedy. Any explicit waiver of default by Lender must be in writing and signed by Lender. No waiver of default by Lender shall operate as a waiver of any other default or of the same default on a future occasion.

6. **PREPAYMENT.**

Borrower is subject to the following prepayment provision:

- (X) **No Prepayment Penalty.** Provided Borrower is not in default under this Note, Borrower has the right to make payments in advance of the scheduled payment dates. Such an advance payment is referred to as "prepayment". If Borrower, in making a prepayment, intends the prepayment to be applied to reduce the principal balance of the loan, Borrower must so inform Lender in writing accompanying the prepayment. Absent such a writing, or unless agreed to in writing otherwise, Lender may apply all payments, including regular installments, received from or on behalf of Borrower and all proceeds of real or personal property collateral to principal, interest or any part of the indebtedness as defined in the deed of trust, mortgage or security agreement as Lender, in its sole discretion, may choose. Borrower may make a full prepayment or partial prepayment without paying a prepayment fee. If Borrower makes a partial prepayment, there will be no delays in the due dates of Borrower's installment payment unless Lender agrees in writing to those delays. Unless Borrower and Lender agree otherwise, Lender at its sole discretion may reamortize the loan on the basis of the new principal balance; otherwise, the making of a prepayment will operate only to discharge the loan at an earlier date.

- () **Prepayment Penalty.**

STANDARD CONDITIONS

While this Note is in effect Borrower will: (1) at Lender's request, furnish information to Lender relating to Borrower's business and financial affairs and permit Lender to examine Borrower's books and records; (2) maintain all other loans with Lender in a current status; (3) allow Lender to inspect and appraise Lender's collateral; (4) promptly notify Lender of any potential material adverse change in financial condition or notify Lender in writing of any possible default under this or any other loan agreement with Lender or with any other lender or of any event which would become an event of default upon the lapse of time or the giving of notice or both; (5) execute all other documents as Lender may lawfully require in connection with this loan; and (6) comply with all terms and conditions of all other documents executed in connection with this loan.

STOCK, VOTING RIGHTS AND ALLOCATION. Pursuant to the Farm Credit Act of 1971, as it may from time to time be amended, Borrower shall acquire and maintain capital stock or participation certificates of Lender, or in the case of a Federal Land Bank Association, of the Association, subject to change from time to time at the discretion of Lender/Association Board of Directors. Any increased capital stock or participation certificate requirements of Lender/Association shall be added to Borrower's principal indebtedness in such amounts as Lender may from time to time require. At the option of Lender, any amounts borrowed to purchase capital stock or participation certificates, and any amounts repaid from retirement of such stock or certificates, may be recorded as part of the loan accounting in the Transaction Summary referred to herein, or in a separate stock or loan account.

Borrower hereby grants to Lender a security interest in and lien upon all capital stock and participation certificates as Collateral for the Indebtedness. Upon an Event of Default, Lender/Association may, but is not required to, apply all or part of the proceeds from such capital stock or participation certificates against the sums owed Lender under this Note. As required by Lender/Association bylaws and the federal and any state income tax law(s), Borrower agrees that the amount of any distribution of peronage made by written notice of allocation to Borrower after the date of this Note will be included in the Borrower's gross income for the purpose of federal income tax for the year in which the notice is received.

TRANSFER BY LENDER. Lender may sell, transfer or assign this Note or any portion thereof, and deliver to the transferee(s) ("Noteholder") all or any portion of the property then by it as security hereunder, and the Noteholder all thereupon become vested with all the power and rights herein given to Lender with respect thereto and at such time the term "Lender" as herein used shall be deemed to mean and include the "Noteholder", and Lender shall thereafter be forever relieved and fully discharged from any and all liability or responsibility to Borrower, but Lender shall retain all rights and powers hereby given with respect to property not so transferred, sold or assigned.

REPORTS. Borrower shall furnish Lender as soon as possible, but in no event later than 120 days after each fiscal year, financial reports for each of the undersigned, including a balance sheet and a profit and loss statement.

DISCLOSURE CONSENT. By signing this Note, Borrower agrees that Lender may disclose financial information to other Farm Credit System institutions. Borrower further authorizes Lender to make credit inquiries, verify credit, verify employment, and to obtain credit agency reports regarding Borrower.

FEES AND CHARGES OF ATTORNEYS AND OTHERS. In the event that Lender employs attorneys, accountants, appraisers, consultants, or other professional or outside assistance, including the services of any attorney who is a direct employee of Lender, in connection with:

- (A) The preparation, modification, or renewal of this Note, security agreement, deed of trust, mortgage, or any other document incident to this Note;
- (B) Advising Lender concerning its legal rights and obligations with regard to the Note or security given for the Note, including advising Lender with regard to Borrower's exercise of any rights under the provisions of the Farm Credit Act, any policy or program of Lender, or any state or federal law;
- (C) Any litigation, dispute, proceeding or action, whether instituted by Lender, Borrower, or any other person, relating to the Note, security given for the Note, or Borrower's affairs, including representation of Lender in any bankruptcy, insolvency, or reorganization case or proceeding instituted by or against Borrower, and any attempt by Lender to enforce any rights against Borrower;
- (D) The inspection, verification, protection, collection, processing, sale, liquidation, or disposition of security given for the Note;
- (E) Any of the type of expenses referred to in (A) through (D) above incurred by Lender in connection with any guaranty of the Note,

the reasonable amount of expenses so incurred by Lender shall be payable on demand and Lender may, at its option, add the amount thereof to principal and an appropriate amount of Capital Stock or Participation Certificates as required by Lender's bylaws and Farm Credit Administration regulations, and thereafter charge interest on such amounts at the interest rate applicable to principal.

UNIFORM SECURED NOTE. This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to Lender under this Note, a mortgage, deed of trust, or security agreement (the "Security Instrument") securing this Note protects Lender from possible losses which might result if Borrower does not keep the promises made in this Note. That Security Instrument describes how and under what conditions Borrower may be required to make immediate payment in full of all amounts owed under this Note. One of those conditions relates to any transfer of the property covered by the Security Instrument, which provides as follows:

In the event the herein-described Property, or any part thereof, or any interest therein, is sold, agreed to be sold, conveyed or alienated by Trustor, or by operation of law or otherwise, except by inheritance, all obligations secured hereby, irrespective of the maturity date, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable. Failure to exercise such option shall not constitute a waiver of the right to exercise this option in the event of subsequent sale, agreement to sell, conveyance or alienation.

TRANSACTION SUMMARY. All disbursements and repayments of Indebtedness shall be posted on Lender's accounting records. Periodically, Lender shall send Borrower a transaction summary or a similar loan accounting. If Borrower fails to object to the accounting in writing within 30 days of its mailing by Lender, Borrower shall have waived any right to object to the accuracy of the accounting and the accounting may be admitted into evidence by Lender for the purpose of establishing the balance due Lender in any legal proceeding arising between the parties.

WAIVER OF DEMAND. Borrower, any endorser, surety or guarantor of this Note, severally waive presentment for payment, demand, notice of non-payment, protest and notice of protest, and all defenses on the grounds of any extensions, changes in terms of payment, or release of security that may be granted by Lender. The Borrower and endorsers of this Note also severally waive any and all other defense or right of offset against the holder hereof when this Note is held as collateral upon Western Farm Credit Bank securities.

RELEASE AND EXTENSION. Borrower, any endorser, surety or guarantor of this Note, severally agree that Lender may at any time, without notice, release all or any part of the security for this Note (including all or any part of the premises covered by the referenced mortgage or deed of trust); grant extensions, deferments, renewals or reamortizations of any part of the debt evidenced by this Note, and release from personal liability any one or more of the parties who are or may become liable for this debt; all without affecting the personal liability of any other party.

LOAN CHARGES. If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected which exceeded permitted limits will be refunded to Borrower, without interest thereon. Lender may choose to make this refund by reducing the principal Borrower owes under this Note or by making a direct payment to Borrower. If a refund reduces principal, the refund will be treated as a partial prepayment.

INCORPORATION BY REFERENCE. This Note includes all amendments, supplements and modifications to it, and also incorporates by reference the terms of all assignments, instruments, documents, other writings or written agreements between Borrower and Lender, including without limitation, applications, loan commitments, notes and security documents.

BORROWER'S GUARANTEES. By signing this Note, Borrower warrants that Borrower has legal authority to enter into this transaction, that the terms and conditions of this contract do not contravene the terms and conditions of any other contract(s) of Borrower, that Borrower's representations in connection with this loan are true and accurate, and that Borrower is not involved in, or has any expectations of involvement in, any legal action that might impair Borrower's financial condition or ability to continue business.

CAPTIONS. Captions used in this Note are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of any term or provision.

APPLICABLE LAW. Enforcement of this Note or security agreement and any other document executed in connection herewith shall be governed by and construed in accordance with federal laws to the extent applicable, and shall otherwise be governed by the laws of the state specified on page one of this Note, immediately above Section 1.

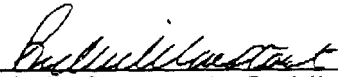
MERGER. This Note supersedes all prior oral negotiations, representations, and promises which are merged into this writing. This Note, and any amendments, modifications or extensions to it, constitutes the entire agreement between Borrower and Lender.

OBLIGATIONS OF PERSONS UNDER THIS NOTE. The liability of each Borrower executing this Note shall be that of co-maker and not that of an endorser, accommodation party or guarantor. The separate property of any married person executing this Note shall be liable for the indebtedness evidenced hereby.

The representative of Lender with whom you are dealing is not authorized to make any oral agreements or assurances. Do not sign this Note if you believe that there are any agreements or understandings between you and Lender that are not set forth in writing in this Note or the other documents.

BY SIGNING, BORROWER ACKNOWLEDGES THAT BORROWER HAS READ AND AGREES TO THE TERMS OF THIS NOTE, INCLUDING THE STANDARD CONDITIONS AND HAS RECEIVED A COMPLETED COPY OF THIS NOTE AND THE RELATED MORTGAGE, DEED OF TRUST OR OTHER SECURITY DOCUMENTS WITH ALL APPLICABLE BLANKS FILLED IN PRIOR TO OR AS A PART OF THE CONSUMMATION OF THIS TRANSACTION.

This Note is secured by personal property liens and by a deed of trust dated June 4, 1993 to be recorded in the official records of Napa County and by a deed of trust dated June 4, 1993 to be recorded in the official records of Sonoma County, both of the State of California.

→ 
Frederic W. Constant aka Fred W. Constant

→ 
Mary F. Constant

ACAs and FLCAs only:

INDORSEMENT - The within Note is hereby indorsed by the payee named in the body of said Note as if the name of the payee were actually executed under the indorsement.

PAY TO THE ORDER OF WESTERN FARM CREDIT BANK, Sacramento, California.